



Department of Veterans Affairs

Financial Policy

Volume II

Appropriations, Funds, and Related Information

Chapter 5A

Purchase Request Policy

Approved:

Jon J. Rychalski
Assistant Secretary for Management
and Chief Financial Officer

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0501 Overview

This chapter establishes the Department of Veterans Affairs' (VA) financial policies for establishing, reviewing, and canceling purchase requests (PRs) in VA's Integrated Financial and Acquisition Management System (iFAMS).

Key points covered in this chapter:

- PRs will only be required for:
 - Procurement requests
 - Assisted acquisitions
- PRs will not be used for the purpose of reserving funds outside of those items specified above;
- PRs will not be recorded for transactions not specified in this guidance, (e.g., purchase card transactions);
- Outstanding PRs will be reviewed monthly by both the requestor and Finance Office. If a PR is no longer valid, it will be manually canceled; by the Procurement Office. The requestor may also close the PR if it is no longer needed, with notification to the Procurement Office (if applicable); and
- VA will cancel outstanding PRs at fiscal year-end.

0502 Revisions

Section	Revision	Office	Reason for Change	Effective Date
Various	Changed 'commitment' terminology to 'purchase request' throughout policy/title	OF (047)	General ledger account 470000 will not be used for these transactions. Statistical general ledger accounts will be used; therefore, PR is the correct term.	August 2022
Various	The purchase request will not be used for grant agreements	OF (047)	Policy will not use PRs for grant agreements.	August 2022
0501	Inserted "in statistical general ledger accounts"	OF (047)	To clarify that statistical general ledger accounts will be used to record PRs	August 2022

Section	Revision	Office	Reason for Change	Effective Date
Appendix A	Inserted “for the following iFAMS document types: IPR (contract request) RRE (assisted acquisition)”	OF (047)	Clarification of applicable iFAMS document types	August 2022
Appendix A	Revised applicable general ledger accounts for recording a purchase request as: Dr. 90014610 Non-reimbursable Agreement Funding Available Cr. 90014700 Commitments – Subject to Funds Availability	OF (047)	Statistical general ledger accounts will be used for PRs	August 2022
Various	New Chapter	OFP (047G)	Implementation of the Integrated Financial and Acquisition Management System (iFAMS)	June 2020

0503 Definitions

Acquisition Assisted Interagency Agreement (IAA) – A type of interagency acquisition where a servicing agency performs acquisition activities on a requesting agency's behalf, such as awarding and administering a contract, task order, or delivery order.

Integrated Financial and Acquisition Management System (iFAMS) – The system replacing VA’s legacy accounting system, the Financial Management System (FMS), as the official financial and acquisition system of record. VA is implementing iFAMS in waves beginning in 2020.

Obligation – A legally binding agreement that will result in outlays, immediately or in the future. An obligation is a legal liability of the Government against an available appropriation.

Outstanding Purchase Request – a PR that has been used to start the acquisition/solicitation process, but the goods/services have not yet been awarded.

Purchase Request (PR) – A request for goods or services. A PR reserves funds in the budget query in iFAMS and posts to the applicable statistical general ledger account. A PR may be unfunded if it is for an administrative modification or a contract close-out.

Statistical Standard General Ledger Account (SGL) – The 9000 series of general ledger accounts available for agencies to record and maintain agency-specific statistical or memorandum data.

0504 Roles and Responsibilities

Under Secretaries, Assistant Secretaries, Administration CFOs, Fiscal Officers, Budget Officers, Chief Accountants, and Other Key Officials are responsible for establishing a system of internal controls and monitoring to ensure appropriations are spent in accordance with Congressional intent and limits.

Finance Offices are responsible for reviewing and approving PRs; ensuring compliance, completeness, and accuracy of PRs; reviewing aging/stale PRs to determine if still valid; and working with the Contracting Officer to ensure that invalid PRs are canceled.

Procurement Offices are responsible for awarding contracts in accordance with the Federal Acquisition Regulation (FAR) and applicable laws, obligating contracts in VA's accounting system, and canceling invalid or unneeded PRs. Contracting Officers, in consultation with local field staff and the Finance Office, will execute timely contract modifications for contract closeout, period of performance date extensions, fund increases, and other administrative or performance requirements, in support of timely adjustments to open obligations.

Requesting offices are responsible for the timely and accurate submission of PRs and coordinating with the Finance and Procurement Offices to ensure that invalid PRs are canceled.

0505 Policies

050501 General Policies

- A. A PR is a request for goods and services. It notifies the Contracting Officers of the goods and services to be ordered. It is not a legally binding obligation. A PR may be unfunded if it is for an administrative modification or contract close-out.
- B. VA will not use bulk PRs (i.e., a single PR for numerous transactions).

- C. VA will only reserve funds via a PR when it will specifically lead to the award of a contract by a contracting officer or assisted acquisitions. PRs will not be used outside of these two exceptions.
- D. PRs should not be used to set aside funds for a broad purpose such as beneficiary travel, tort payments, or planned future transactions using budgetary allocations or allowances.
- E. VA will comply with National Archives and Records Administration (NARA) General Records Schedule for financial management and reporting records.
- F. See Appendix A for a summary of the PR process and standard general ledger postings.

050502 Establishing PRs

- A. VA will use PRs only for the approved uses below:
 - Procurement contracts processed through VA Contracting; and
 - Assisted acquisitions processed through VA Contracting Officers.
- B. PRs, when required, will be established in a timely manner.

050503 Reviewing PRs

- A. Open PRs include those PRs that are not considered closed or complete. Open PRs do not require a dollar value if they are for an administrative action or a contract close-out.
- B. VA will perform monthly reviews and reconciliation of open PRs. Reviews will be conducted by the Finance Office staff and requestors to determine:
 - The PR is still needed;
 - Open balances are accurate and agree to source documents, i.e., request package;
 - PRs aged over 30 days, or without activity in the past 30 days, are valid and should remain open; and
 - The PR does not represent a residual balance of an obligation and should be canceled.

050504 Canceling PRs

- A. Outstanding PRs will be manually canceled by the Contracting Officer if no longer valid.

1. Awarded PRs must be marked 'Final' unless there are known remaining contract actions related to the PRs.
 2. PRs that are no longer needed must be closed by the requesting office (in coordination with the Procurement office, if applicable) as soon as the requirement is identified as no longer needed. This will release funds for other requirements.
- B. The Financial Services Center (FSC) will perform reconciliations between the SGL statistical accounts and the budget tables, e.g., between the purchase requests budget reservation table and the applicable purchase requests statistical SGL account.
- C. All PRs that have not been awarded at fiscal year-end will be cancelled in the accounting system. PRs pertaining to administrative actions or contract close-out will not be canceled.

0506 Authorities and References

[31 U.S.C. § 1104, Budget and appropriations authority of the President](#)

[31 U.S.C. § 1301, Application of Appropriations \(also known as the Purpose Statute\)](#)

[31 U.S.C. § 1341, Limitations on Expending and Obligating Amounts](#)

[31 U.S.C. § 1553, Availability of appropriation accounts to pay obligations](#)

[Federal Acquisition Regulation](#)

[OMB Circular A-11, Preparation, Submission and Execution of the Budget](#)

[OMB Circular A-136, Financial Reporting Requirements](#)

[Treasury US Standard General Ledger](#)

[VA Acquisition Regulation](#)

[Volume I, Chapter 6 – Reconciliations](#)

[Volume II, Chapter 2, VA's Budget Cycle and Fund Symbols](#)

[Volume II, Chapter 3 – VA Fund Control](#)

[Volume II, Chapter 5 – Obligations Policy](#)

[National Archives and Records Administration \(NARA\) General Records Schedule](#)

0507 Rescissions

VA Financial Policy Volume II, Chapter 5A – Commitments Policy, September 2021.

0508 Questions

Questions concerning these financial policies and procedures should be directed to the following points of contact:

VHA	VHA 10A3A Accounting Policy (Outlook)
VHA	VAFSC Nationwide Accounting (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
VBA	VAVBAWAS/CO/OPERATIONS (Outlook)
NCA	NCA Financial Policy Group (Outlook)
All Others	OFP Accounting Policy (Outlook)

Appendix A: Summary of the PR Process, Standard General Ledger Postings, and Guidance for Specific Activity Categories

A. The PR process only impacts the following iFAMS document types:

- IPR and APR (contract requests)
- RRE (assisted acquisition)

B. Summary of the PR Process

Daily Activities:

- **Step 1** – The requesting office, within an Administration or Staff Office, identifies the need for a VA Contracting Officer to obtain goods or services and creates a PR with funded accounting lines. The requesting office uploads supporting documentation including, but not limited to, a Statement of Work, Independent Government Cost Estimate, and Market Analysis. The requesting office approving official reviews and performs the first-level of approval.
- **Step 2** – The Finance Office reviews the PR and performs the second level of approval. The Finance Office cannot make any adjustments/edits to the PR due to read-only access. PRs containing errors will be returned to the requesting office.
- **Step 3** – VA Contracting Officer (or Ordering Officer) awards the contract and creates an obligation. VA will record an obligation when VA incurs a legally binding agreement with a specified entity. The PR will be automatically decreased (liquidated) when referenced by the obligation. If the obligation amount is less than the PR amount, and the transaction is marked as “final” within iFAMS, the residual PR balance will be automatically decreased (liquidated). Otherwise, the excess PR amount must be manually decreased by the Contracting Officer.

Monthly Activities:

- **Step 4** – Reconciliation. Monthly, Finance Office staff and the Requesting Offices will review outstanding PRs. The Finance Office will request that the Contracting Officer cancel PRs that are no longer valid.

Year-End Activities:

- **Step 5** – PRs must be canceled at year-end. iFAMS will automatically cancel any outstanding PRs with balances at year-end.

C. Standard General Ledger (SGL) Postings

1. Create a PR

- A PR is only recorded in iFAMS if a transaction will be processed by a Contracting Officer (or delegated ordering officer), or an IAA that involves an assisted acquisition.
- The PR process ensures funds are available and the correct funding is used. The PR requires approval by the requesting office.
- The following SGL accounts are impacted for the following iFAMS document types:
 - IPR and APR (contract requests)
 - RRE (assisted acquisition)

Budgetary (creates PR) (primary user entry)

Dr. 90014610 Non-reimbursable Agreement Funding Available

Cr. 90014700 - Commitments – Subject to Funds Availability

2. Create Obligation

- The obligation records a legally binding agreement that will result in outlays, immediately or in the future.
- The PR will be automatically liquidated (decreased) when referenced at the time of obligation creation. If the obligation amount is less than the PR amount, and the transaction is marked as “final” within iFAMS, the residual PR balance will be automatically decreased (liquidated). Otherwise, the excess PR amount must be manually decreased.
- The following SGL accounts are impacted.

Budgetary (creates obligation) (primary user entry)

Dr. 46100001 Allotments – Realized

Cr. 48010001 Undelivered Orders - Obligations, Unpaid

Budgetary (decrease funds) (automated entry generated by referencing)

Dr. 90014700 – Commitments - Subject to Funding Available

Cr. 90014610 – Non-reimbursable Agreement Funding Availability

Monthly Activities:

3. Review PRs Monthly

- Outstanding PRs are reviewed and manually decreased if no longer valid.
- The following SGL accounts are impacted when decreased.

Budgetary (decrease funds) (primary user entry)

Dr. 90014700 – Commitments - Subject to Funding Available

Cr. 90014610 – Non-reimbursable Agreement Funding Availability

Year-End Activities:

4. Cancel Outstanding PRs at Year-end

- Outstanding PRs at year-end will automatically be canceled.
- The following SGL accounts are impacted when canceled.
Budgetary (decrease funds) (automated entry generated by the system)
Dr. 90014700 – Commitments - Subject to Funding Available
Cr. 90014610 – Non-reimbursable Agreement Funding Availability